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# WHEAT MARKETING QUOTAS



Why Quotas?

How They Work

To Whom They Apply



UNITED STATES DEPARTMENT OF AGRICULTURE  
AGRICULTURAL ADJUSTMENT ADMINISTRATION

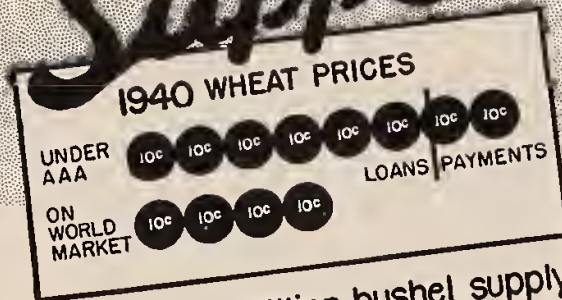


# Collapse



Billion bushel supply  
Good exports  
No program

# Support



Billion bushel supply  
Few exports-but  
AAA program



Billion bushel supply  
Exports practically stopped  
Price support threatened  
Quota referendum called

# It's your choice...

## Why Quotas?

*One and one-quarter billion bushels of wheat!* Enough to last the country 2 years, without growing a kernel. That's how much wheat America has in sight.

A big crop is on the way. Foreign markets are nearly gone; the war blockades our customers out and our wheat in. No chance for consuming more wheat in America: people have been eating less wheat for years.

*Mare wheat and fewer markets!* A few years ago this would have meant 40-cent wheat. But not now. Last year farmers used the AAA program to get an average return of 80 cents. This year supplies dammed up by the war threaten a price collapse. It need not occur, because farmers have the power and the means in the AAA program of dealing with price-breaking surpluses.

*Marketing quotas provide for such an emergency.* Cotton and tobacco farmers have long used them. Now it's up to wheat farmers to decide whether they want to protect

their income in this manner. Quotas won't be used unless two-thirds of all farmers voting in a national referendum approve them.

## How They Work

If approved, the quotas will divide more equally among all growers the responsibility for adjusting to a limited market. Surplus wheat above the production from acreage allotments will be kept off the market. This keeps surpluses back until some time when they are needed.

## To Whom They Apply

Under quotas the farmer who has seeded within his acreage allotment can sell all the wheat he raises without penalty. Furthermore he can put it under Government loan at the full rate.

The man who overseeded his allotment can sell what he raises on his allotted acreage, just the same as the man who complied with his allotment. If he sells his excess wheat, he must pay a penalty. He can get a Government

loan on his excess production, but only at 60 percent of the full rate. Thus, quotas put all wheat farmers on the same footing in this time of surplus emergency.

*If quotas are voted down,* Government wheat loans on the current crop are prohibited by law because loans on an uncontrolled surplus are an unwarranted risk of public money. Without loans, wheat farmers would face falling prices. Many would shift to dairying, stock feeding, and poultry raising. Low-priced wheat resulting from uncontrolled surplus means lower income for other farmers.

*The wheat marketing quota is a national question. It will be settled by farmers. Every farmer affected by the quota has an vote, whether he grows wheat on 20 or on 20,000 acres.*





# THREE FOR ONE

## 1940 WORLD WHEAT SURPLUS

Available for EXPORT



Expected MARKET



EACH SYMBOL REPRESENTS 100 MILLION BUSHELS OF WHEAT

Enough export wheat in the world for nearly 3 years. Surplus in Argentina. Surplus in Australia. Surplus in Canada with wheat piled unprotected out on the ground. For every 3 bushels for sale, the world offers a market for only one.

Canada last year had its second biggest wheat crop, its biggest surplus. The Government imposed strict marketing quotas, allowed farmers to sell only about half their crop. To sell more was a criminal offense. Prices were fixed at about 50 cents a bushel to the farmer.

Canadian farmers had no program of acreage allotments, storage, and loans, as in the United States. They had no vote on the quota question.

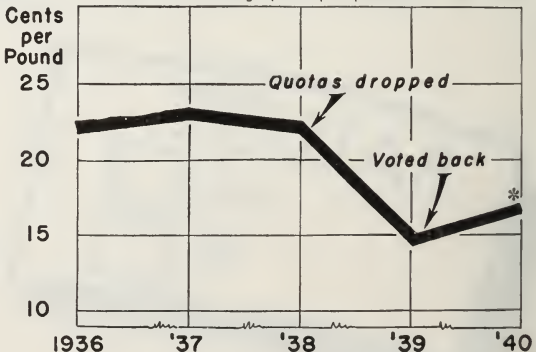
## The Record for Cotton and Tobacco

Cotton growers have voted quotas for 4 straight years, approving them with an average majority of about 90 percent.

Tobacco growers, through the farm program, held their prices at a level near parity for 5 years. When quotas came in they used them. But 1 year they voted them down. It was a bad year to be without quotas—1939—a war year. Prices collapsed. Since then tobacco farmers have voted quotas, first for 1940, then again for a 3-year period.

## FLUE-CURED TOBACCO PRICES

(Season average price per pound)



\*Average price up to January 1.

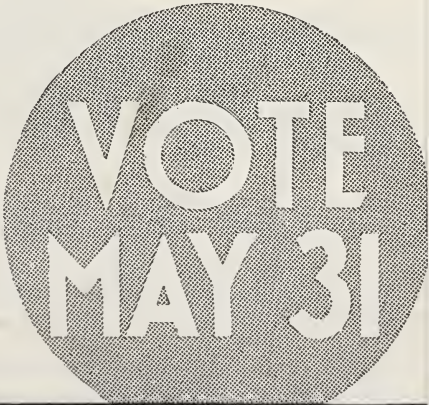
# Americans Must Solve Their Own Problems

The farmer today has something to say about his market. He can, through quotas, keep from flooding it with unwanted wheat. This privilege of helping to decide by ballot the supply side of the market is an important part of what is called "economic democracy." It gives the farmer a voice in determining the price of his wheat. The marketing quota referendum is the American way, the way of democracy, of meeting a marketing emergency brought on by war.

Every wheat farmer affected by the quota has one vote. Your own neighbors, your own AAA committeemen, will conduct the referendum. Ask them where to vote.

## Quotas Mean—

1. FREE MARKETING of all wheat produced on the acreage allotment.
2. PRICE SUPPORT through adjustment and loans for the good of wheat farmers and of all town and city people in farming areas.
3. SURPLUS ORGANIZED to provide plenty for all people without waste, and without driving wheat farmers into wasteful competition with livestock, dairy, and poultry farmers.



VOTE  
MAY 31

FOR FURTHER  
INFORMATION  
SEE YOUR

COUNTY AAA COMMITTEE

